

Waiving of Loans of Riot Victims

2021. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have taken a decision to waive all loans availed of by the Riot Victims of 1984;

(b) if so, the details thereof;

(c) whether some representations in this regard have also been received by the Government;

(d) if so, the details thereof and the action taken thereon; and

(e) the details of other financial assistance proposed to be extended or already granted to the Riot Victims of 1984?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) No. Sir.

(b) Does not arise.

(c) and (d). As informed by the Ministry of Home Affairs, a Memorandum was recently received with regard to waiving off the loan and interest accounts of all victims of November, 1984 riots. The matter is under consideration and a final decision is yet to be taken in this regard.

(e) The office of Deputy Commissioner, Delhi have informed that as per order dated 5th July, 1996 from Hon'ble Delhi High Court, it has been directed that the widows and families of the victims, who lost their lives in the 1984 Delhi riots, be paid a sum of Rs.3.50 lakhs in each death, as death compensation. The victims have already been paid Rs.20.000/- in each case previously.

As regards bank loans to November, 1984 Riot Affected Borrowers are concerned, the reliefs/concessions already extended by the Government, inter-alia include:

i) Reduction of interest to 6 per cent per annum, in deserving cases, on loans extended to November, 1984 Riot Affected Borrowers from 1st November, 1984 or from the date of grant of loan, if granted subsequently upto 31st December, 1989.

ii) Write off of loans where the principal of loan was upto Rs.25,000/- at the time of grant of loan, alongwith the interest outstanding.

iii) Scaling down of interest to 1% per annum (simple) in deserving cases, or loans from 1st November, 1984 or from the date of grant of loan, if granted subsequently upto 31st March, 1992.

[English]

Multinational and Non-multinational MRTP Houses

2022. SHRI P.R. DASMUNSI : Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) the number of the Monopolies and Restrictive Trade Practices Houses as on March 31, 1991 in the country;

(b) the number of multinational units as on March 31, 1996 in the country; and

(c) the details of non-multinational and multinational units which had shown profit as on March 31, 1995?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) The number of the Monopolies and Restrictive Trade Practices (MRTP) Houses as on March 31, 1991, each with assets of not less than Rs.100 Crores, was 1995.

(b) and (c). There is no generally acceptable definition of a multinational/non-multinational company. As such Government do not maintain any statistics on companies operating in the country based on so-called classification of multi-national or non-multinational companies.

Monitoring of GDRs and ECBs

2023. SHRI ATAL BIHARI VAJPAYEE : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have formulated any new proposal in respect of access to Global Depositories Receipts (GDRs) and External Commercial Borrowings (ECBs);

(b) if so, the details thereof;

(c) whether the Government have constituted any cell/agency to monitor GDRs and ECBs by various Indian Companies; and

(d) if so, the details of the monitoring system?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). Yes, Sir. With a view to increase the mobilisation of foreign capital in the international capital markets for infrastructure and other sectors of the economy, Government has announced through a Press Note of on 19th June 1996 revised Guidelines for issue of Global Depository Receipts (GDRs) and Foreign Currency Convertible Bonds (FCCBs) by Indian Companies.

The Guidelines for a GDR/FCCB issues inter-alia, provide for:

i) Relaxation in track record requirement for Indian Companies raising Euro issues to finance investments in infrastructure projects;

- ii) Removal of restriction on the number of Euro issues which may be floated by a company or Group of Companies in a financial year;
- iii) Broadening the areas of deployment of issue proceeds;
- iv) Permitting Banks, Financial Institutions and Non-Banking Finance Companies [registered with Reserve Bank of India (RBI)] to float GDR/FCCB issues with the restriction that the issue proceeds shall not be deployed in stock markets and real estate sector.

Guidelines on policies and procedures for External Commercial Borrowings for the year 1996-97 were also announced through a separate Press Note dt. 19th June, 1996. ECB Policy seeks to keep an annual cap or ceiling on access to ECB consistent with prudent debt management. The important changes in the ECB guidelines are:

- (I) Exports. 100% EOUs and EPCG Licence-holders are permitted to raise ECB upto US \$ 15 million equivalent or the average amount of annual exports during the previous three years, whichever is lower, for meeting project-related Rupee expenditure.
- (II) Infrastructure projects in the Power, Telecommunications and Railway Sectors, have been permitted to utilise the ECB proceeds for Project-related rupee expenditure.
- (III) The limit under the existing US \$ 1 million Scheme, under which ECB can be utilised for Rupee expenditure, has been enhanced to US \$ 3 million.
- (IV) The corporates engaged in infrastructure projects in telecommunications and oil exploration and development (excluding refining), have been permitted to raise ECB at a minimum average maturity of five years.

- (V) In respect of infrastructure and greenfield projects, the access to ECB has been limited to 35% of the total project cost as appraised a recognised Financial Institution/Bank; however, greater flexibility shall be allowed to power projects.

(c) and (d). The launch of GDR/FCCB issues, related expenditure abroad, repatriation of issue proceeds into the country, etc., are subject to the approval mechanism of RBI under the provisions of Foreign Exchange Regulation Act (FERA) 1973. The companies raising GDB/FCCB issues are required to report to the RBI and the Government, on a quarterly basis, details on deployment of issue proceeds till they are finally expended on the approved purposes. Monitoring of ECBs availed by Indian Companies is done by Central Office of the RBI in association with its Regional offices.

Credit/Deposit Ratio of Banks

2024. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the growth rate of deposits and credits of commercial banks has declined considerably during the financial year 1995-96;

(b) if so, the extent thereof and the main reasons therefor; and

(c) the steps proposed to be taken to remedy the situation?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): (a) to (c). Reserve Bank of India (RBI) have reported that during the year 1995-96 (31st March 1995 to 29th March 1996) there was decline in the rate of growth of both aggregate deposits and bank credit as compared with the previous year. While the growth of aggregate deposits of scheduled commercial banks decelerated from 22.8 per cent (Rs.71,726 crore) to 11.8 per cent (Rs.45,486 crore), the growth of bank credit declined from 28.7 per cent (Rs.47,143 crore) to 19.2 per cent (Rs.40,540 crore).

RBI have further reported that growth rates of the banking variables are however not strictly comparable as between 1994-95 and 1995-96. Firstly, there were 27 reporting fortnights in 1994-95 as against the usual 26 fortnights. Secondly, the last reporting Friday for 1994-95 coincided with March 31 and as such the year-end bulge was reflected in the banking data for 1994-95. The unduly inflated base of 1994-95 therefore got reflected in lower order for growth rates in 1995-96 than would have been the case otherwise.

Continuing the process of interest rate deregulation and with a view to augmenting the resources of the banking system, the RBI has taken a series of policy measures since the second half of the year 1995-96. Cash Reserve Ratio (CRR) was reduced in phases from 15 per cent of Net Domestic Demand and Time Liabilities (NDTL) to 12 per cent between November 11, 1995 to July 6, 1996. These measures have injected liquidity into the system which stimulates deposit growth as well. Other policy measures recently announced by Reserve Bank of India include shortening of minimum maturity from 46 days to 30 days and allowing banks freedom to determine deposits rates for maturity above one year, which is expected to have a favourable impact on deposit growth.

Effect of W.T.O. Agreement

2025. DR. LAXMINARAYAN PANDEY: Will the Minister of COMMERCE be pleased to state:

(a) whether the attention of the Government has been drawn to the news-item appeared in the 'Statesmen' dated March 28, 1996 captioned